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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

-v-

DANIEL F. MARINO,

Defendant.

Index No. 05 Cr 1036 (CM)

UNITED STATES OF AMERICA,

-v-

SAMUEL ISRAEL III,

Defendant.

Index No. 05 Cr 1039 (CM)

UNITED STATES OF AMERICA,

-v-

JAMES G. MARQUEZ,

Defendant.

Index No. 05 Cr 1138 (CM)

PETITION OF MARY JANE PIDGEON SLEDGE

Petitioner, Mary Jane Pidgeon Sledge (“Sledge”), for her petition requesting certain relief with respect to the order of restitution to be entered herein, respectfully states as follows:

BACKGROUND

1. Sledge is a victim of the fraudulent scheme perpetrated by Samuel Israel III, Daniel Marino and James Marquez, the former principals of Bayou Group LLC and related entities (collectively, “Bayou”).

2. Sledge invested \$900,000 in Bayou Superfund, LLC (and a predecessor fund) between July 22, 2002 and March 4, 2003.

3. Sledge is a defendant in an avoidance action in bankruptcy court brought by Bayou. Bayou seeks to avoid the redemptions Sledge received before the Bayou fraud was uncovered, on the purported ground that the redemptions constitute “fraudulent transfers” under sections 544 and 548 of the Bankruptcy Code and applicable state law.

4. Sledge could be required to turn over to Bayou some or all of her redemption proceeds. She requests that this Court reserve a portion of the Government’s victim restitution fund and refrain from paying out the full amount of the restitution fund within 90 days of sentencing Messrs. Israel, Marino and Marquez. Federal Rule of Bankruptcy Procedure 3003(c)(3), consistent with 11 U.S.C. § 302(A), recognizes that contingent claimants such as defendants in a fraudulent transfer suit may have and may assert claims against a debtor should a judgment be entered against them.

5. The reserve fund could be used to pay those adversary proceeding defendants who may be required to return some or all of their redemption proceeds to Bayou. Absent a reserve or similar holdback mechanism from the Government’s victim restitution fund, no restitution funds would then be available for such adversary proceeding defendants whose ultimate losses cannot be determined at the present time.

6. To avoid burdening the Court with a lengthy and duplicative submission, Sledge hereby joins in the Motions Requesting Reserve Fund In Connection With Victim Restitution submitted by, among others, the Sonnenschein Investors [DE 29] and by Highgate Partners, L.P., other victims of the Bayou fraud and other adversary proceedings defendants, and adopt fully their arguments and reasoning, which details the legal bases on which the Court may exercise its broad discretion to ensure that all victims of the Bayou fraud have an opportunity to receive restitution from the Government's victim restitution fund, regardless of when their actual losses may be quantified.

7. Sledge respectfully requests that the Court craft an order of restitution that requires the Government to establish a sufficient reserve to reimburse victims of the Bayou fraud, such as Sledge and other adversary defendants, whose losses may be fully established after Messrs. Israel, Marino and Marquez are sentenced.

Dated: New York, New York
December 14, 2007

Seward & Kissel LLP

By: /s/ M. William Munno
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